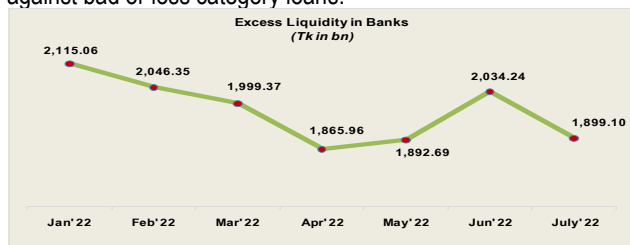


**Six banks exempted from charges**

Bangladesh Bank (BB) has exempted the Managing Director of six banks from the charges of their alleged involvement in taking advantage of the volatility in the foreign exchange market. At the same time, after one and a half months, BB backtracked from its earlier decision and allowed the banks to reinstate the treasury chiefs, who were removed on 08 August for their alleged involvement in irregularities while trading US Dollars. The banks are- Brac Bank, Dutch-Bangla Bank, The City Bank, Southeast Bank, Prime Bank and Standard Chartered Bank. As per the BB instructions, six banks were ordered to spend 50% of the profits for Corporate Social Responsibility (CSR), which they had earned from foreign exchange business between May and June of this year. Banks are allowed to take the remaining 50% of profits to their income accounts. BB sent show-cause letters to six scheduled banks on 17 August 2022 in this regard with instructions to reply within seven working days. Since the beginning of this year, there has been instability in the foreign exchange market. Many banks bought each dollar for Tk93-Tk94 in May and June but sold them at Tk110-Tk112. In order to bring stability in the foreign exchange market and considering the overall market situation, banks and foreign exchange dealers agreed to set uniform rates in foreign-exchange dealings upon instructions from the central bank. As per the decision, banks will be able to quote a maximum Tk108 for bringing remittances from exchange houses and Tk99 for procuring export proceeds. In case of settling import-payment obligations, the banks will keep highest Tk1 as spread over the weighted average of the exchange houses and the exporters' rates. This weighted-average rate will be calculated on a five-day rolling average basis by each bank, based on its actual cost if the US dollar buying is from inter-bank market, excluding from the central bank.

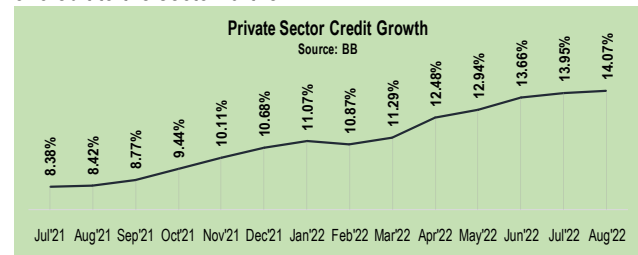
**Banks prefer government securities**

Liquidity glut in the banking sector stood at Tk1899.1b in July 2022. Although there is excess liquidity in the banking system, not all banks are in a comfortable position in terms of liquidity. However, 62% of the excess fund was concentrated in only nine banks, namely Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, Pubali Bank, Islami Bank, Bank Asia, Dutch-Bangla Bank and Standard Chartered Bank. As government securities offer higher yields than lending to the private sector, the banks with surplus liquidity are increasingly preferring such instruments over lending. Besides, if banks invest in Treasury bills and bonds, there is no default risk, whereas default loans in the banking sector rose despite enjoying policy support from the central bank with relaxed and suspended loan classification and provisioning requirements. In addition, there is no requirement for keeping provisions against their investment in government securities. As per BB, the scheduled banks have to keep 0.25% to 2% provisions against the general category of loans, 20% against substandard category, 50% against doubtful loans and 100% against bad or loss category loans.



**Credit growth cross fiscal year target**

Private sector credit growth surged in August this year following higher trade financing to settle import-payment obligations. Disbursement rose by 14.07% in August 2022 from 13.95% a month back, as per Bangladesh Bank (BB) reports. August growth rate surpassed the monetary target set at 14.1% for the FY2022-23. As part of tightening money flow, BB has inched down the private sector credit growth target to 14.01% for FY23 from 14.8% of FY22. Most of the loans are used to facilitate overseas purchases. Credit growth rate has been rising for five months despite a number of measures from the central bank aimed at curbing import bills. Between July and June last fiscal year, imports increased to US\$85.33b, up 35.95% (Y-on-Y) when exports grew 33.45% to US\$52.08b. In FY22, trade deficits stood at US\$33.24b. The high import payments led to depletion of the foreign exchange reserve. The reserve dropped to US\$36.85b on 20 September 2022 from US\$48.6b on 31 August 2021. As fallout of the pandemic-induced sluggish economic activities, credit growth registered a historic low of 7.55% in May 2021, which, however, turned upward in June 2021 (8.35%) and maintained the uptrend till now. Experts, however, fear that the ongoing upward trend in inflationary pressure may be fueled further if the existing trend in the private-sector credit growth continues. The point-to-point inflation surged to a nine-year high of 7.56% in June this year up from 7.42% in May. Businesses were unwilling to borrow from the foreign sources as interest rates have gone up internationally. The central bank has imposed 9% interest rate cap on lending that resulted in a growth of credit to the sector further.



**Foreign aid disbursement drops**

Inflow of foreign assistance decreased by 24.19% in the first two months of the current fiscal year compared to the same period of FY22. As per reports from the Economic Relations Division (ERD), during the period foreign development partners, including the World Bank (WB), Asian Development Bank (ADB), Islamic Development Bank (IDB) as well as Japan, disbursed US\$864.29m which was US\$1.14b in the same period of FY22. The government has set a target to secure US\$12b in foreign assistance in the current fiscal year. In the last fiscal year foreign assistance went up by 25.63% compared to the FY21, mostly riding on the pandemic related budget assistance released by the development partners. As per the ERD reports, during the period foreign development partners disbursed US\$10b in FY22, which was US\$7.96b in the FY21 and US\$7.27b in FY20. The Manila-based development lender ADB topped the fund disbursement list with US\$2.56b. Japan has become the second biggest financial support provider with US\$2.21b. The third highest lender is WB, which disbursed US\$1.67b. In the first month of fiscal FY23, development partners disbursed US\$488m. It was US\$328.66m in the same period of the last fiscal year.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,585.62	3,693.23	-2.91
FTSE 100	6,893.81	7,018.60	-1.78
Nikkei 225	25,937.21	27,153.83	-4.48
SENSEX	57,426.92	58,098.92	-1.16
KSE 100	41,128.67	40,620.21	1.25

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	6,512.89	6,564.00	-0.78
Total Turnover, Tk	73,061,767,164.00	101,103,908,789	-27.74
Market Capital, Tk	4,524,484,254,051	4,552,789,692,093	-0.62
No of Issue Gain	61	86	
No of Issue Loss	173	166	
No of Unchanged Issues	152	134	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Eastern Housing	93.10	116.60	25.24	2,837,638,000
BD Monospool Paper	185.40	230.00	24.06	453,869,000
BD Building Systems	26.20	30.80	17.56	1,544,533,000
ADN Telecom	72.60	84.80	16.80	942,027,000
Intraco Refueling	39.40	44.90	13.96	1,251,902,000
BDCOM Online	55.40	61.30	10.65	2,086,046,000
Shinepukur Ceramic	50.60	55.70	10.08	1,958,885,000
Yeakin Polymer	22.90	25.00	9.17	428,938,000
Kay & Que	261.40	284.10	8.68	76,579,000
Apex Footwear	282.10	304.10	7.80	161,663,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Meghna Life Insurance	71.80	63.10	-12.12	40,075,000
ILFSL	6.70	6.00	-10.45	53,191,000
BIFC	11.90	10.80	-9.24	12,134,000
RDFOOD	42.30	39.00	-7.80	279,069,000
Baraka Patenga Power	31.90	29.50	-7.52	146,518,000
GBB Power	21.60	20.00	-7.41	120,673,000
Energypac	38.30	35.50	-7.31	148,087,000
Orion Pharma	149.60	138.70	-7.29	6,612,721,000
Indo-Bangla Pharma	22.90	21.30	-6.99	301,764,000
Shahjibazar Power	100.80	93.80	-6.94	1,378,679,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	452.86	453.24	-0.08	937.63	1,910.05	-50.91
Cement	377.70	385.77	-2.09	951.52	3,044.90	-68.75
Ceramic	868.47	846.95	2.54	2,506.24	2,651.55	-5.48
Engineering	6,726.90	6,742.23	-0.23	7,440.14	8,645.32	-13.94
Food & Al.	4,900.23	4,903.37	-0.06	2,041.89	2,893.24	-29.43
Fuel & Pow.	3,964.69	4,051.14	-2.13	4,944.96	5,875.51	-15.84
Insurance	2,309.60	2,329.92	-0.87	2,475.25	5,150.52	-51.94
IT	561.49	569.35	-1.38	5,113.91	5,641.84	-9.36
Jute	1,401.14	1,400.27	0.06	165.08	393.85	-58.08
Misc.	2,892.29	2,915.82	-0.81	12,466.45	22,208.75	-43.87
Mutual Fund	465.45	465.45	0.00	63.82	104.26	-38.79
NBFI	1,225.32	1,217.71	0.62	1,968.27	2,323.87	-15.30
Paper	15,228.95	14,890.59	2.27	3,226.28	2,751.24	17.27
Pharma	1,724.30	1,763.40	-2.22	11,406.55	26,324.29	-56.67
Service	2,095.91	1,941.71	7.94	4,537.39	3,490.36	30.00
Tannery	1,109.73	1,109.53	0.02	263.23	347.44	-24.24
Telecom	3,830.40	3,836.92	-0.17	397.43	1,140.20	-65.14
Textile	1,885.62	1,885.97	-0.02	3,877.30	5,456.80	-28.95
Travel & Leis.	983.58	968.78	1.53	3,935.37	3,449.96	14.07

## Technical Talk

Dhaka stocks closed in red trajectory in the last week ended on Thursday as risk-averse investors maintained sell-off on major sector issues. Out of its five trading sessions, first three sessions suffered losses while two other sessions managed to close marginally higher. Among the major sectors, Pharma decreased by 2.22% followed by Fuel & Power 2.13% and Insurance 0.87%.

DSE Broad Index (DSEX) stood at 6,512.89 points after decreasing by 51.11 points or 0.78% from the previous week. Total turnover reached at Tk73061.77m, which was 27.74% lower than the previous week. Market capitalization decreased by 0.62% and stood at Tk4524.48b (\$42.49b) at the weekend against Tk4552.79b. DSE 30 decreased by 35.27 points or 1.49% and closed at 2,330.42 points against 2,365.69 points. Last week's weighted average Market PE was 14.91 which was 14.79 previous week.

Based on the daily charts of DSE movement, which is used to track short-term trend, technical readings are as under:

### Relative Strength Index (RSI)

The RSI indicator illustrates if the change of price movements is in overbought or oversold territory. RSI stood at 51.94.

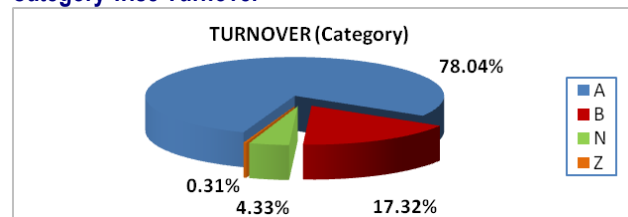
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Orion Pharma	47,497,231	6,612,721,000	9.05
BEXIMCO	44,330,334	5,909,835,000	8.09
Eastern Housing	27,548,106	2,837,638,000	3.88
BSC	15,867,107	2,598,752,000	3.56
JMI Hospital Requisite	19,625,631	2,559,670,000	3.50
Unique Hotel	28,786,784	2,267,805,000	3.10

### Top 10 Market Capital

Company	Market Capital (In million)
GP	386,996
Walton Hi-Tech	317,378
BATBC	280,098
Square Pharma	185,977
Robi	157,138
RENATA	139,694
United Power	136,402
Beximco	116,726
LafargeHolcim	87,451
Berger Paint	80,702

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,668.30	1,651.70	1.01
Silver (USD/t oz.)	19.02	18.84	0.96
Brent Crude Oil (USD/bbl.)	85.33	86.75	-1.64

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	106.49	106.49	105.45	105.45	0.99	0.99
EUR	105.20	105.20	105.66	105.66	-0.44	-0.44
GBP	117.27	117.27	120.86	120.86	-2.97	-2.97
AUD	69.36	69.36	69.87	69.87	-0.73	-0.73
JPY	0.75	0.75	0.74	0.74	1.35	1.35
CAD	78.35	78.35	78.45	78.45	-0.13	-0.13
SAR	28.43	28.43	28.17	28.17	0.92	0.92

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US Dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY - Japanese Yen, CAD-Canadian Dollar, SAR-Saudi Riyal.

### Last Public Offerings

Company	Subscription Period	Offer Price	IPO (M.Tk)
Navana Pharma	13 Sep - 19 Sep, 2022	24	750
Chartered Life Insurance	25 Sep-29 Sep, 2022	10	150
Global Islami Bank	16 Oct-20 Oct, 2022	10	4250